



**COUNCILMEMBER DONNA FRYE**  
**Council District Six**  
**City of San Diego**

**M E M O R A N D U M**

**DATE:** June 8, 2006

**TO:** Mayor Sanders and City Auditor John Torrell

**FROM:** Councilmember Frye

**SUBJECT:** City of San Diego Undergrounding Program

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Michael Shames made allegations about the City's Undergrounding Program in his most recent edition of the *Watchdog*. Specifically, he claims that:

- The City of San Diego supports the surcharges on utility bills such as SDG&E because it generates revenue for the General Fund.
- Only a few folks will benefit from the undergrounding program such as those who want to improve their private views.
- In the first two years of the program, the City has siphoned more than \$4 million out of the surcharge monies to pay for attorneys.

In addition to Shames' article in the *Watchdog*, *The Voice of San Diego* also published an editorial (see attached) about the Undergrounding program. In order to ensure that the public interest is being served, please provide to me an accounting of the surcharge revenues as well as responses to the other allegations. Thank you.

CC: Councilmembers  
City Attorney, Michael Aguirre  
Patty Boekamp  
Nathan Bruner

## **Bird Droppings and SDG&E**

So a bird pooped on me today. It happened at the exact time the board of trustees of the county's employee pension system was set to meet. I didn't take that as any kind of metaphor or anything.

See, I was out this morning because I took an hour to recuperate after a few red-eye nights working on the new site. (By the way, what do you think? It seems to be growing on people and we're working out the snags slowly. So thanks for your patience.)

Anyway, yeah, I took the dog on a little walk and while thinking about all the things I needed to fix on the site today, I felt something hit my chest rather hard as if a kid had thrown a ball of Play-Doh at me. I looked down: a nice splattering of white bird poop. I looked up and the culprit was peering down at me from a power line.

I have to give him credit. You've got to respect that kind of timing. So I've been wondering all day how the city's power line undergrounding project was going. I want to help because now I'm going to mess with this bird's head.

In case you haven't followed it, the city hopes to underground all area power and phone lines by 2025. Neighborhoods like mine where you can't throw a football in the street without knocking out someone's cable television are supposedly on the list waiting for their turn to beautify.

The city is paying for this by having San Diego Gas & Electric collect an extra fee. To get the phone companies on board, there will be an additional fee for their customers, unless regulators say that's not possible. The California Public Utilities Commission is set to decide soon.

In 2002, the PUC approved the first surcharge of around \$3 a month. I checked in with Michael Shames, the head of the Utility Consumers Action Network. I knew he'd be fired up about something. I wasn't disappointed.

Shames has a theory that the city should just abandon this undergrounding project. For one, he said, it's unfair to newer neighborhoods where residents paid for undergrounding with the fees charged to the developer who built their homes. Now those residents have to pay new fees now to underground lines in my area and others. That's some kind of double tax or something.

OK, sounds good, but that's an eternal argument. Cities and governments all over the world spread the costs of projects and infrastructure for the larger public good. And all over the world certain regions complain about having to pay for infrastructure in other regions. Heck, people in Spain wouldn't have anything to talk about if it wasn't for that sort of strife. Back to America. Shames second point is rather interesting:

"Everyone wants their power lines underground. Who likes power lines? But if you see how much you're spending to get rid of them you'd be amazed. You can take that same amount of money and provide free or incredibly cheap wireless Internet for everyone in the county," he said.

Where does wireless Internet come into the picture? The telephone and power poles should "deploy" wireless antennae, Shames said. Other cities in the country are putting up such networks. Shames said the city is missing a golden opportunity to do something similar here.

By burying the lines, the city is eliminating the possibility, he said, for a wireless competitor to lower Internet fees for users all around the county -- to the benefit of the telecommunications companies.

He's trying to force people like me to think of this as a decision: prettier neighborhoods, or free Internet for everyone?

I don't know if it's that simple and I'll have to think about it more. But the bird didn't help Shames' cause at all.

-- SCOTT LEWIS